

103D CONGRESS  
1ST SESSION

# H. R. 2906

To amend the Internal Revenue Code of 1986 to allow a credit for charitable contributions made by businesses to public elementary and secondary schools located in poverty areas.

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## IN THE HOUSE OF REPRESENTATIVES

AUGUST 5, 1993

Mr. TUCKER (for himself, Mr. DIXON, Mr. MARTINEZ, Mr. MFUME, Mr. REYNOLDS, Mr. MINETA, Mr. HORN, Mr. EDWARDS of California, Mr. SERRANO, Mr. TORRES, Mr. DELLUMS, Mr. STOKES, Mr. LEWIS of Georgia, Miss COLLINS of Michigan, and Mr. FAZIO) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to allow a credit for charitable contributions made by businesses to public elementary and secondary schools located in poverty areas.

1       *Be it enacted by the Senate and House of Representa-*  
2       *tives of the United States of America in Congress assembled,*

### 3   **SECTION 1. SHORT TITLE.**

4       This Act may be cited as the “Adopt-A-School Act  
5   of 1993”.

1 **SEC. 2. CREDIT FOR CERTAIN BUSINESS CONTRIBUTIONS**  
2 **TO PUBLIC ELEMENTARY AND SECONDARY**  
3 **SCHOOLS LOCATED IN POVERTY AREAS.**

4 (a) IN GENERAL.—Subpart B of part IV of sub-  
5 chapter A of chapter 1 of the Internal Revenue Code of  
6 1986 is amended by adding at the end thereof the follow-  
7 ing new section:

8 **“SEC. 30A. CERTAIN BUSINESS CONTRIBUTIONS TO PUBLIC**  
9 **ELEMENTARY AND SECONDARY SCHOOLS LO-**  
10 **CATED IN POVERTY AREAS.**

11 “(a) IN GENERAL.—In the case of a taxpayer en-  
12 gaged in a trade or business, there shall be allowed as  
13 a credit against the tax imposed by this chapter for the  
14 taxable year an amount equal to 70 percent of the quali-  
15 fied public school contributions made during such taxable  
16 year.

17 “(b) QUALIFIED PUBLIC SCHOOL CONTRIBUTION.—

18 “(1) IN GENERAL.—The term ‘qualified public  
19 school contribution’ means—

20 “(A) any contribution to a qualified public  
21 school for its exclusive use if—

22 “(i) such contribution is—

23 “(I) cash to be used by such  
24 school for qualified tangible personal  
25 property or for additions or improve-  
26 ments to such school, or

1 “(II) qualified tangible personal  
2 property, and

3 “(ii) the taxpayer receives from the  
4 donee a written statement representing  
5 that such school is a qualified public school  
6 and that the contribution will be used in  
7 accordance with this subparagraph, and

8 “(B) any amount paid or incurred by the  
9 taxpayer for training services provided to stu-  
10 dents attending a qualified public school as part  
11 of an educational program approved by such  
12 school.

13 In the case of a contribution of property, the  
14 amount taken into account under subsection (a)  
15 shall be the amount which would (but for subsection  
16 (c)) be allowed as a deduction under section 170 for  
17 such contribution.

18 “(2) QUALIFIED PUBLIC SCHOOL.—The term  
19 ‘qualified public school’ means any school for the  
20 education of students at or below the 12 grade level  
21 if—

22 “(A) such school is owned and operated by  
23 a local government,

24 “(B) such school is located in a population  
25 census tract having a poverty rate of at least 15

1           percent (as determined using the most recent  
2           decennial census data available), and

3           “(C) the funding provided for such school  
4           from government sources is not reduced by rea-  
5           son of any contribution to which this section  
6           applies.

7           “(3) QUALIFIED TANGIBLE PERSONAL PROP-  
8           ERTY.—The term ‘qualified tangible personal prop-  
9           erty’ means tangible personal property to be used by  
10          students attending the qualified public school or by  
11          teachers at such school as part of the educational  
12          program of such school.

13          “(4) AREAS NOT WITHIN CENSUS TRACTS.—In  
14          the case of an area which is not tracted for popu-  
15          lation census tracts, the equivalent county divisions  
16          (as defined by the Bureau of the Census for pur-  
17          poses of defining poverty areas) shall be used for  
18          purposes of paragraph (2)(B).

19          “(c) DENIAL OF DEDUCTION.—No deduction shall be  
20          allowed under provision of this chapter for any amount  
21          which is taken into account in determining the credit  
22          under this section.

23          “(d) APPLICATION WITH OTHER CREDITS.—The  
24          credit allowed by subsection (a) for any taxable year shall  
25          not exceed the excess (if any) of—

1           “(1) the regular tax for the taxable year re-  
2       duced by the sum of the credits allowable under sub-  
3       part A and the preceding sections of this subpart,  
4       and

5           “(2) the tentative minimum tax for the taxable  
6       year.”.

7       (b) CLERICAL AMENDMENT.—The table of sections  
8       for subpart B of part IV of subchapter A of chapter 1  
9       of such Code is amended by adding at the end thereof  
10      the following new item:

                    “Sec. 30A. Certain business contributions to public elementary  
                                    and secondary schools located in poverty areas.”.

11       (c) EFFECTIVE DATE.—The amendments made by  
12      this section shall apply to contributions made after the  
13      date of the enactment of this Act in taxable years ending  
14      after such date.

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